

**Project Name:** Licensing and Certification Business Management System

**OCIO Project #:**

**Department:** Alcohol and Drug Programs

**Revision Date:** 9/15/10

## Concept Statement

### Description

**Brief description of the proposed project:**

ADP proposes to implement a business management system for workflow management, document management, and payment processing to improve the statewide licensing and certification of substance abuse treatment service providers. This includes automating current manual processes to achieve greater efficiency in licensing and certification of provider applicants. The concept was approved by the OCIO on the condition that the project be done in collaboration with other departments. ADP is discussing with CDPH.

### Need Statement

**High Level Functional Requirements:**

- Web-based licensing and certification applications for initial and renewal applications;
- Data system housing providing application data;
- Workflow management system;
- Document management system: and,
- Business intelligence capability.

**What is Driving This Need?**

LCD receives approximately 200 application per year for two types of facility licenses, three types of facility certifications per year and processes five types renewals. The time to process a single application may be as much as 10 months. In addition, LCD responds to facility and counselor complaints, and maintains counselor certification information. The current business processes are primarily manual, or rely on an outdated FoxPro system, and a minimal system in Oracle. Significant efficiencies will be possible with a well-designed data system.

**Risk to the Organization if This Work is Not Done:**

If the work is not done, LCD is at risk for litigation if applications are not processed timely. From a program perspective, delays in managing applications may impact the availability of suitable treatment sites for persons needing services, and delays in responding to complaints could result in health and safety risks to clients.

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### Benefit Statement

#### Intangible Benefits

**Process Improvements** (describe the nature of the process improvement):

Business process improvements have been identified for implementation. The combination of improved business processes and a data system to support the processes will significantly reduce processing time.

**Other Intangible Benefits:**

The combination of improved business processes and a data system to support the processes may improve the satisfactory compliance with health and safety provisions in treatment facilities.

#### Tangible Benefits

**Revenue Generation** (describe how revenue will be generated):

Facilities are subject to an application fee and a periodic renewal fee, with the intent of making the licensing and certification of alcohol and other drug (AOD) programs self-supporting. An automated data system that requires the applicant to submit accurate and timely information on the first attempt will result in fewer delays in application processing, and increase the pool of facilities paying into the trust fund.

**Cost Savings** (describe how cost will be reduced):

There may not be immediate cost savings as staff refine the business processes and learn to use the data system. The primary cost benefit will be cost avoidance as it will be necessary to assign less staff to application and renewal processing tasks if the service system grows.

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**Cost Avoidance** (describe the cost and how avoided):

As new initiatives to increase funding for AOD treatment increase demand, it has been necessary to seek legislative approval for additional positions in LCD. With an automated system, the need for additional positions to address the increased volume of applications, renewals, and complaints may be reduced.


**Risk Avoidance** (describe the risk and how avoided):

The risk is that the potential complexity of the data system will result in a cumbersome and difficult to use system. The risk will be handled as follows: 1) Approach the development in phases or modules; collaborate with LCD staff to ensure the business processes and functional requirements are accurately captured; develop and implement testing methods and plans to ensure operational efficiency and user satisfaction.

**Improved Services:**

The LCD BMS will result in improved services to licensing applicants, providers, complainants, and AOD clients by enhancing the availability of licensed and/or certified treatment facilities in California.

### Consistency

"No" Responses 		Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

### Impact to Other Entities

#### Nature of Impact to Other Entities

**Entity:** Licensing and/or certification applicants

*Describe the nature of the impact:*

Increases the accuracy and completeness of their initial applications, thus reducing the time necessary to process applications.

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**Entity:** Complainants

*Describe the nature of the impact:*

Decreases the amount of time to investigate and resolve complaints.

**Entity:** Treatment clients

*Describe the nature of the impact:*

Improves the number of facilities available to provide AOD treatment when needed.

**Entity:**

*Describe the nature of the impact:*

## CA - PMM

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## Solution Alternatives

### Alternative 1:

Purchase a modifiable off-the-shelf system.

### Technical Considerations for Alternative 1:

- Must be compatible with Enterprise Architecture and Department standards;
- Must contain features that can be easily modified to address emerging business needs;
- Must be compatible with ADP infrastructure.

ROM Cost: \$500,000 to \$800,000

Note: high end of range must not exceed 200% of low end of range

### Alternative 2:

Custom-developed data system using a contracted vendor.

### Technical Considerations for Alternative 2:

- Must be developed using ADP standards and programming language.
- Must be compatible with Enterprise Architecture and Department Standards.
- Must be scalable to meet emerging business needs.

ROM Cost: \$500,000 to 900,000

Note: high end of range must not exceed 200% of low end of range

### Alternative 3:

Custom-developed data system using State staff.

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### Technical Considerations for Alternative 3:

- Must be developed using ADP standards and programming language.
- Must be compatible with Enterprise Architecture and Department Standards.
- Must be scalable to meet emerging business needs.

ROM Cost: \$300,000 to \$600,000

Note: high end of range must not exceed 200% of low end of range

### Recommendation

#### Comparison:

Alternative 1	ROM Cost			Risk
COTS/MOTS	\$500,000	-	\$800,000	Budgetary constraints
Alternative 2	ROM Cost			Risk
Custom Development Contractor	\$500,000	-	\$900,000	Budgetary constraints
Alternative 3	ROM Cost			Risk
Custom Development State Staff	\$300,000	-	\$600,000	Resource availability

#### Conclusions:

1	As directed by the OCIO, ADP is exploring opportunities to partner with another State agency with licensing functions.
2	DPH currently engaged in Request for Proposals to select a COTS/MOTS system.
3	COTS/MOTS would provide a tried solution that is scalable to meet emerging business needs.
4	

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### Recommendation:

Partner with a department within the California Health and Human Services Agency to determine the desirable solution and purchase.

### Project Approach *(if known)*

<b>System Complexity:</b>		System Business Hours: <i>(e.g., 24x7, 9am-5pm)</i> :		
Architecture	<input type="checkbox"/> Mainframe	<input checked="" type="checkbox"/> Client Server	<input checked="" type="checkbox"/> Web Based	Num. of New Databases:
Technology	<input type="checkbox"/> New	<input type="checkbox"/> New to Staff	<input type="checkbox"/> In-House Experience	Interfaces:
Implementation	<input checked="" type="checkbox"/> Central Site	<input type="checkbox"/> Phased Roll-out		Num. of Sites:
M & O Support	<input type="checkbox"/> Contractor	<input type="checkbox"/> Data Center	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> In House
Procurement Approach:				Number of Procurements:
Open Procurement?		Delegated Procurement?		
Scope of Contract	<input type="checkbox"/> Development	<input type="checkbox"/> Implementation	<input type="checkbox"/> M & O	<input type="checkbox"/> Other:
Anticipated Length of Contract:		Years / extensions for years		